

Senate File 383 - Introduced

SENATE FILE 383

BY SCHNEIDER

A BILL FOR

1 An Act relating to the disposition of inherited or gifted
2 property in dissolution of marriage proceedings.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 598.21, subsection 6, Code 2019, is
2 amended to read as follows:

3 6. *Inherited and gifted property.* Property inherited by
4 either party or gifts received by either party prior to or
5 during the course of the marriage is the property of that party
6 and is not subject to a property division under **this section**
7 ~~except upon a finding that refusal to divide the property~~
8 ~~is inequitable to the other party or to the children of the~~
9 ~~marriage.~~ Any appreciation in value of such inherited or
10 gifted property during the course of the marriage remains
11 with the party who inherited the property or to whom the
12 property was gifted and shall not be considered in the property
13 division unless such appreciation occurs as a result of active
14 improvement of the inherited or gifted property by either party
15 during the course of the marriage. Any additions to such
16 inherited or gifted property during the course of the marriage
17 shall be factored into the property division.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill relates to the disposition of inherited and gifted
22 property in a dissolution proceeding.

23 Current law provides that property inherited by either
24 party or gifts received by either party prior to or during the
25 course of the marriage is the property of that party and is
26 not subject to a property division except upon a finding that
27 refusal to divide the property is inequitable to the other
28 party or to the children of the marriage.

29 The bill amends the current provision to eliminate the
30 exception, and also to provide that any appreciation in value
31 of inherited or gifted property during the course of the
32 marriage remains with the party who inherited the property or
33 to whom the property was gifted and shall not be considered
34 in the property division unless such appreciation occurs as
35 a result of active improvement of the inherited or gifted

1 property by either party during the course of the marriage.
2 Additionally, the bill provides that any additions to inherited
3 or gifted property during the course of the marriage shall be
4 factored into the property division.